GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1541
ANSWERED ON:26.07.2016
Import of Chemicals and Petrochemicals
Gandhi Shri Feroze Varun

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:
(a) the names and quantity of the major chemicals and petrochemicals which are imported to the country during the last three years along with percentage-wise increase in import products;
(b) the progress achieved so far in establishing Reverse SEZs in oil rich countries like Iran and Myanmar;
(c) the steps other than setting up of Reverse SEZs, taken by the Government to reduce the import bill of the country in chemicals and petrochemical products;
(d) whether the said imported products can be produced in the country and if so, the details thereof and if not, the reasons therefor; and
(e) whether any substitute for such products could be worked out and if so, the details thereof?

Answer

ANSWER
MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS, SHIPPING, ROAD TRANSPORT & HIGHWAYS
(SHRI MANSUKH L. MANDAVIYA)

(a) The names and quantity of the major chemicals and petrochemicals which are imported to the country during the last three years along with percentage-wise increase in import products are appended as Table- 1 and Table − 2.

(b) India expressed interest in setting up chemical and petrochemical industries at Chabahar Free Trade Zone (FTZ) in Iran provided that rich gas at competitive price is offered by Iran on long term basis. However, during the discussions Iranian side indicated availability of only lean gas at Chabahar for fertilizers, chemicals and other projects without higher fractions like Ethane (C2), Propane (C3) etc. which are essential for the Petrochemical Complex / Reverse SEZ. In the changed scenario of gas composition it is not feasible to take up the project forward to set up production facilities for intermediates in Iran. Due to non-availability of gas on competitive price, the setting up of Reverse SEZ in Myanmar has not been considered feasible.

(c) to (e) The chemical and petrochemical sector is delicensed and decontrolled except for a few items. The units are being setup in the private sector by the entrepreneurs based on techno economic feasibility, demand & supply, cost of feedstock/ raw materials and cost of production in the competitive global scenario etc. The basic feedstock for chemical and petrochemical sector is crude oil and natural gas which is in short supply in India. Chemicals based on these feedstocks are also being imported in the country. In addition some of the chemicals are being imported for the manufacture of further value added products both for domestic consumption and exports. The Government has taken various steps including rationalization of custom duties for having a complete synergy in the value chain in the manufacturing process involving building blocks, intermediates and final products.

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